

THE LATEST FEDERAL BUDGET

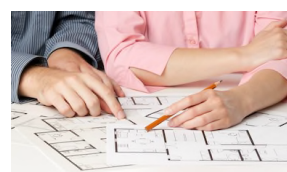
AND WHAT IT MEANS FOR YOU



REVERSE MORTGAGES - NOT WHAT THEY USED TO BE



NEW HOME FINANCING AT TODAYS VALUE ON ASSIGNMENTS



HOMEOWNERS CAN STILL QUALIFY AT CONTRACT RATE - NO STRESS TEST

THE BUYER BULLETIN

THE FEDERAL GOVERNMENT released it's latest budget to mixed reviews. Here is a brief summary of what will affect housing affordability:

- 1) A First Time Home Buyer Incentive, called a Shared Equity Mortgage was introduced. The Federal Gov't, through CMHC, will contribute 5% toward the down payment on a resale home and 10% on a new construction home. Buyers must come up with 5% of their own money and have household income less than \$120,000. No other details have been made available.



Details will be shared in the coming months and the program will commence IF the Liberals are voted back into office. One can assume this incentive will be paid directly to the lawyer at closing and will be registered as a second mortgage, interest free - which doesn't mean it won't cost the homebuyer. Once the home is sold, or refinanced upon a buildup of equity, this incentive will need to be paid out with what we can only guess is a shared portion of the newly appreciated value. With an annual income of \$120,000, buyers can buy in the \$500,000-\$550,000 range. This will only be available for first time buyers with less than a total down payment of 20%.

- 2) RRSP withdrawals under the Home Buyer Plan will increase to \$35,000 from \$25,000. Buyers will need to seriously consider borrowing more of their retirement fund before going this route. The Government is also expanding it's eligibility requirements for withdrawal under the plan - for anyone who has gone through a recent hardship, such as separation or divorce, they may now be eligible to withdraw RRSP's tax free under the First Time Home Buyer's Plan. Details will follow.

Ready to step out of your bank comfort zone?

Ask about my NO FEE switch.

The Government, as they have in the past, has also set aside 50 million to regulatory agencies to root out tax avoidance matters and ensure homeowners/sellers are paying appropriate capital gains.

THE NEW REVERSE MORTGAGE

Reverse mortgages are no longer taboo. They are soaring in popularity given many of today's seniors are 'equity rich, but cash poor'. Seniors who don't pass the stress test no longer have to turn to private lenders. In addition to enjoying life with equity that's been earned, seniors are also providing early inheritances to their kids, installing that dream kitchen, or buying an investment property, or cottage. Set up as a credit line, interest is compounded semi annually just like a standard mortgage. At the end of the term, or sale, the interest is paid in a lump sum, instead of throughout the term as with a standard mortgage.

NEW HOME FINANCING ASSIGNMENTS

I have lenders who will offer mortgage financing on new construction builds using today's value where a home is assigned to a new party at a higher value. These are A lenders with A rates. Up to 95% LTV for qualified buyers.

QUALIFYING AT CONTRACT RATE

I have lenders who still use the contract rate (that means NO stress test) to qualify in certain situations such as the following: 1) If a homeowner bought new construction prior to October 2016 and closing is still pending. 2) If a homeowner bought and closed prior to October 2016 and their mortgage is up for renewal, if no changes are needed, nor have they ever made a change to the original mortgage (other than renewing), homeowners can switch and qualify using the contract rate with NO stress test. 3) Some credit unions use specialized rates to qualify (with no stress test). Rates are typically higher than the lowest advertised rate, but lower than the posted rate.

MULTI UNIT VS DETACHED RENTALS

Did you know some lenders will finance a multi-unit property (5 units+) with as little as 15% down non owner occupied? We can use a 40 yr amortization to help qualify and qualification is based on how well the property carries, there is NO stress test. A great option for a high income earner who doesn't qualify under the stress test and wants to maximize their investment potential.

FINANCING LAND

I have a lender who finances what other lenders turn down: vacant land, large acreage, rural, working farms, student housing, construction financing, even for self employed people and those with poor credit.

As a broker, I can now help more people than ever



Contact me 7 days a week to provide details on any of these topics, or if you have a suggestion. My advice is always free.

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